

### § 1410.3

### 12 CFR Ch. XIV (1–1–04 Edition)

under part E of title V of the Act, including, without limitation, the Federal Intermediate Credit Bank of Jackson and banks that are in or are placed in receivership or conservatorship to the extent that those banks' participation in such obligations is insured.

(f) *Loan* means any extension of credit or lease resulting from direct negotiations between a lender and a borrowing entity that is recorded as an asset of an insured bank, a direct lending association, or an other financing institution. The term "loan" includes loans, contracts of sale, notes receivable, and other similar obligations and lease financings. The term "loan" includes loans originated through direct negotiations between the insured bank, direct lending association, or other financing institution and a borrowing entity and loans or interests in loans purchased from another lender. Loans purchased subject to recourse shall be considered loans of the seller to the extent of the recourse.

(g)(1) *Nonaccrual loan* means any loan where—

(i) Any amount of outstanding principal and all past and future interest accruals, considered over the full term of the asset, are determined to be uncollectible for any reason; or,

(ii) It has been classified "loss" as a result of a periodic credit evaluation and has not been charged off; or,

(iii) The loan is severely past due and is not adequately secured, in process of collection, and fully collectible with respect to all principal and interest.

(2) For the purposes of determining whether a loan is considered as accrual or nonaccrual under this part, all loans on which a borrowing entity, or a component of a borrowing entity, is primarily obligated to the institution shall be considered as one loan unless a review of all pertinent facts supports a reasonable determination that a particular loan constitutes an independent credit risk and such determination is adequately documented in the loan file.

(h) *Other financing institution* means any bank, company, institution, corporation, union, or association de-

scribed in section 1.7(b)(1)(B) of the Act.

[56 FR 3201, Jan. 29, 1991; 56 FR 10302, Mar. 11, 1991]

### § 1410.3 Calculation and reporting of premiums due.

(a) *Premium base.* For purposes of computing the annual premium, each insured bank shall:

(1) Report its premium base for each category of loan described in paragraph (a)(2) of this section based on the total of the average annual principal balances of:

(i)(A) Loans of each direct lending association that were able to be made because the direct lending association is receiving, or has received, funds provided through the insured bank;

(B) Loans of each other financing institution that were able to be made because the other financing institution is receiving, or has received, funds provided through the insured bank; and,

(C) The bank's loans, other than loans made to direct lending associations and other financing institutions.

(ii) For purposes of this section, loans of an other financing institution were able to be made because of funds provided through the insured bank only if they are loans which resulted from funding provided through the insured bank and which are pledged to or discounted by the insured bank.

(2) Segregate the loans of each entity described in paragraph (a) of this section into:

(i) Loans in accrual status, excluding the guaranteed portions of State and Federal government-guaranteed loans;

(ii) The guaranteed portions of State government-guaranteed loans that are in accrual status;

(iii) The guaranteed portions of Federal government-guaranteed loans that are in accrual status; and,

(iv) Nonaccrual loans.

(b) *Calculating the 1989 premium payment.* The 1989 premium payment shall be equal to the sum of:

(1) The total annual average principal outstanding for calendar year 1989 on the loans in accrual status as described in paragraph (a)(2)(i) of this section of each entity described in paragraph (a)(1) of this section multiplied by 0.0015;

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(2) The total annual average principal outstanding for calendar year 1989 on loans in accrual status as described in paragraph (a)(2)(ii) of this section of each entity described in paragraph (a)(1) of this section multiplied by 0.0003; and,

(3) The total annual average principal outstanding for calendar year 1989 on loans in accrual status as described in paragraph (a)(2)(iii) of this section of each entity described in paragraph (a)(1) of this section multiplied by 0.00015.

(c) *Calculating the premium payment for 1990 and subsequent years.* Except as provided in paragraph (d) of this section, the annual premium payment for 1990 and for each subsequent year shall be equal to the sum of:

(1) The total annual average principal outstanding for each calendar year on the loans in accrual status as described in paragraph (a)(2)(i) of this section of each entity described in paragraph (a) of this section multiplied by 0.0015;

(2) The total annual average principal outstanding for each calendar year on the loans in accrual status as described in paragraph (a)(2)(ii) of this section of each entity described in paragraph (a)(1) of this section multiplied by 0.0003;

(3) The total annual average principal outstanding for each calendar year on the loans in accrual status as described in paragraph (a)(2)(iii) of this section of each entity as described in paragraph (a)(1) of this section multiplied by 0.00015; and,

(4) The total annual average principal outstanding for each calendar year on the nonaccrual loans as described in paragraph (a)(2)(iv) of this section of each entity described in paragraph (a)(1) of this section multiplied by 0.0025.

(d) *Secure base amount.* Upon reaching the secure base amount determined by the Corporation in accordance with section 5.55 of the Act, the annual premium to be paid by each insured bank, computed in accordance with paragraph (c) of this section, shall be reduced by a percentage determined by the Corporation so that the aggregate of the premiums payable by all of the Farm Credit banks for the following

calendar year is sufficient to ensure that the Insurance Fund balance is maintained at not less than the secure base amount. The Corporation shall announce any such percentage no later than December 31 of the year prior to the January in which such premiums are to be paid.

[56 FR 3201, Jan. 29, 1991; 56 FR 13211, Mar. 29, 1991]

### § 1410.4 Payment of premiums.

(a) *Calendar years 1989 and 1990.* Each insured bank shall pay to the Corporation the amount of the premium due to the Corporation computed in accordance with § 1410.3 of this part, and shown on its certified statement, at the time its certified statement is filed. The certified statement for calendar years 1989 and 1990 must be filed with the Corporation and the premium must be received by the Corporation on or before March 29, 1991.

(b) *Calendar year 1991 and subsequent years.* Each insured bank shall pay to the Corporation the amount of the premium due to the Corporation computed in accordance with § 1410.3 of this part, and shown on its certified statement, at the time the statement is filed. Certified statements shall be considered to have been filed and payments made in a timely manner if they are received on or before January 31 following the end of the calendar year on which the certified statement is based.

(c) *Premiums as obligations of insured banks.* Premiums required to be paid by § 1410.3 are obligations of the insured banks, and are to be paid at the times required by this section, regardless of whether the insured bank has assessed and collected any assessments under section 1.12 of the Act.

[56 FR 3201, Jan. 29, 1991; 56 FR 10302, Mar. 11, 1991]

### § 1410.5 Delinquent premium payments and premium overpayments.

(a) *Delinquent payments.* Each insured bank shall pay to the Corporation interest on delinquent premium payments. All premiums will be considered delinquent if they are received after the time for payment specified in